MISSOURI TIMBER PRICE TRENDS

April-June, 2004, Vol. 14 No. 2

Missouri Department of Conservation, Forestry Division

Statewide Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.		# of Rpts.
Veneer								
Black Walnut	$3,335	$835	$1,655	$1,705	$1,145	28	Int. - MBF	16
Red oak (group)	$1,250	$1,250	$1,250	$750		10	Int. - MBF	1
White oak (group)	$1,665	$1,040	$1,305	$1,055	$835	23	Int. - MBF	4
Sawlogs								
Ash	$185	$65	$110	$210	-	11	Int. - MBF	6
Basswood	$100	$100	$100	$125	-	9	Int. - MBF	1
Black Walnut	$585	$180	$415	$450	$370	103	Int. - MBF	13
Cottonwood	$65	$65	$65	$100	$45	44	Int. - MBF	1
Elm	$180	$150	$160	$90	-	3	Int. - MBF	5
Gum	$170	$170	$170	$175	-	3	Int. - MBF	4
Hackberry	$100	$65	$70	$85	-	5	Int. - MBF	2
Hard Maple	$185	$100	$140	$135	-	8	Int. - MBF	6
Hickory	$250	$60	$150	$170	$85	166	Int. - MBF	23
Mixed Hardwoods	$205	$35	$120	$160	$115	516	Int. - MBF	19
Oak (mixed species)	$225	$85	$150	$145	$160	1,703	Int. - MBF	14
Post Oak	$185	$65	$130	$150	$105	165	Int. - MBF	20
Red oak (group)	$380	$65	$185	$195	$175	3,390	Int. - MBF	38
S Yellow Pine	$170	$100	$120	$145	$115	176	Int. - MBF	12
Soft Maple	$150	$140	$150	$190	$125	60	Int. - MBF	2
Sycamore	$100	$65	$85	$100	$75	57	Int. - MBF	5
White oak (group)	$360	$85	$195	$215	$155	1,554	Int. - MBF	32
Yellow Poplar	$210	$210	$210	$200	-	18	Int. - MBF	1
Fence Posts								
S Yellow Pine	61¢	61¢	61¢	60¢	-	12,907	Each	1
Pulpwood								
Mixed Hardwoods	$5	$5	$5	-	$20	33	Cords	1

Stumpage sales of veneer logs remained stronger than usual into late spring, especially for walnut. International exports of walnut from Missouri have been strong with several foreign export companies joining domestic export producers operating in the state. Lower grade walnut sawlogs were also being exported, generally to Far Eastern markets. Indications are that these markets will continue and become more active in early fall. The majority of hardwood species were $10-$20/ MBF lower than peak prices of last quarter. This is probably best explained by the large amount of standing timber purchased in late 2003 and early 2004 and poor logging conditions in many areas of the state during the early spring months. Mill log inventories suffered in those areas, so expect higher than average log purchases during the summer months and continuing into fall. Red oak continues to be the species enjoying the greatest demand. Areas impacted by red oak borer infestations are experiencing wide variations in bid prices for standing timber. Infested timber stands will probably command much lower stumpage prices (<$100/MBF) due to significantly reduced yields of lumber.

Ozark Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.		# of Rpts.
Sawlogs								
Ash	$180	$170	$170	$130	-	-	Int. - MBF	3
Black Walnut	$450	$180	$450	-	$150	46	Int. - MBF	2
Elm	$180	$150	$160	$130	-	3	Int. - MBF	5
Gum	$170	$170	$170	$170	-	3	Int. - MBF	4
Hard Maple	$170	$170	$170	-	-	-	Int. - MBF	3
Hickory	$250	$60	$150	$165	$85	141	Int. - MBF	19
Mixed Hardwoods	$205	$35	$160	$165	$120	229	Int. - MBF	10
Oak (mixed species)	$200	$115	$170	$185	$170	699	Int. - MBF	6
Post Oak	$185	$80	$130	$150	$105	152	Int. - MBF	18
Red oak (group)	$315	$125	$185	$190	$170	2,487	Int. - MBF	23
S Yellow Pine	$170	$100	$120	$145	$115	176	Int. - MBF	12
White oak (group)	$265	$90	$200	$190	$155	663	Int. - MBF	20
Fence Posts								
S Yellow Pine	61¢	61¢	61¢	60¢	-	12,907	Each	1
Pulpwood								
Mixed Hardwoods	$5	$5	$5	-	$20	33	Cords	1

Stumpage prices in the Ozark region were generally lower by $5-$10/MBF last quarter. This area was less impacted by the wet spring logging conditions than other areas of the state, but it was still a problem in specific areas. Stumpage sales of sawlog-sized pine continue to be difficult for most foresters. Pine sawlog prices appear to be very low, even for high quality, large diameter logs. The outlook is for no significant change in this situation until there are additional pine processing mills developed within Missouri’s pine range.

On the other end of the spectrum, walnut stumpage sales have been brisk in the southwestern quadrant of the state throughout the spring and early summer. International export markets that will accept sawlogs is generally responsible. Expect an early fall resumption of these markets.

Another bright spot is pine post sales from both plantation and natural stand thinning. South central Missouri appears to be the most active area for these markets due to the presence of post buying yards, post peeling plants, and treating plants. The addition of a couple of pine shaving mills is also increasing demand for small diameter pine bolts. No sales of stave quality white oak were reported this quarter.

The impact of red oak borer infestations continues to be felt in local areas in the Ozarks. In some cases, lumber yields have been reduced to very low levels by the extensive internal damage to the logs. This situation has resulted in some extremely low stumpage bids in the $40/MBF (International Scale) range. There is little doubt that this situation will continue for the foreseeable future. Landowners should be vigilant in detecting the presence of red oak borer presence on their property and seek advice of a forester immediately if borer damage is detected. Unfortunately, the extent of damage will only increase with time resulting in loss of value to the landowner. A salvage-type timber sale may be the best option in those situations.

Prairie Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Veneer							
Black Walnut	$3,335	$835	$1,660	$1,900	-	27 Int. - MBF	14
Red oak (group)	$1,250	$1,250	$1,250	$750	-	10 Int. - MBF	1
White oak (group)	$1,250	$1,040	$1,175	$1,040	-	17 Int. - MBF	3
Sawlogs							
Ash	$110	$65	$75	$120	-	8 Int. - MBF	2
Basswood	$100	$100	$100	$125	-	9 Int. - MBF	1
Black Walnut	$585	$250	$380	$485	-	48 Int. - MBF	7
Cottonwood	$65	$65	$65	$100	$45	44 Int. - MBF	1
Hackberry	$100	$65	$70	$85	-	5 Int. - MBF	2
Hard Maple	$100	$100	$100	$40	-	3 Int. - MBF	1
Hickory	$140	$120	$140	$130	-	15 Int. - MBF	2
Mixed Hardwoods	$175	$60	$80	$75	-	199 Int. - MBF	5
Oak (mixed species)	$225	$225	$225	$110	-	35 Int. - MBF	1
Post Oak	$65	$65	$65	-	-	7 Int. - MBF	1
Red oak (group)	$380	$65	$200	$180	$185	288 Int. - MBF	8
Soft Maple	$150	$140	$150	$190	-	60 Int. - MBF	2
Sycamore	$75	$65	$70	$90	-	16 Int. - MBF	2
White oak (group)	$360	$85	$145	$190	-	289 Int. - MBF	5

Walnut markets are usually the major item of interest in the Prairie Region, so that is what will be discussed first. Walnut markets held through May this year, which is later than usual. Demand was strong at prices similar to slightly increased over those of the past 2-3 years. Demand for exports, generally from Far Eastern markets, were mainly responsible for this late season activity. Both veneer and sawlogs were impacted. As mentioned in comments for other regions, logging activity was limited throughout the Prairie Region by rainy and muddy conditions for a significant portion of the spring season. Many area sawmills experienced severe log shortages during that time. If you are contemplating a fall timber sale in this region, expect an early fall start-up for market activity.

Red oak grade sawlogs are still the commodity in greatest demand throughout the region. However, red oak decline is evident in many timber stands in this region. Much the same advice given to landowners in the Ozark Region about red oak borer is also appropriate concerning red oak decline in this area. You are advised to contact a forester if your red oak trees don’t appear to be healthy.

During the past quarter, one sale of red oak veneer logs was reported. Veneer buyers are still somewhat distrustful of the quality of Missouri red oak, even those beautiful, large northern red oak growing on excellent sites along the Mississippi and Missouri River drainages. This is a potential market that will hopefully improve for us in the future.

No white oak stave log sales were reported in this region this quarter even though markets were active. The majority of foresters appear to be including stave quality logs in their sawlog volumes and reports. Many buyers and loggers sort out the stave logs for delivery to specific markets and usually receive a better price for these logs. If you believe your timber contains higher value logs of any species, be sure to negotiate for premium stumpage prices for these products. A forester can help you determine volumes by grade and product if you are unsure of the overall quality of your standing timber.

The recently completed survey of sawmills in Missouri found many new small band sawmills in this region of Missouri. The majority purchase delivered logs only, but some occasionally purchase standing timber. These “new” mills may represent additional market outlets for your standing timber, so it would be advantageous to be aware of those in close proximity to your timber. A new directory of sawmills will be available soon to help.

Riverborder Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.		# of Rpts.
Veneer								
Black Walnut	$1,665	$835	$1,400	$1,485	$1,145	-	Int. - MBF	2
White oak (group)	$1,665	$1,665	$1,665	$1,065	$835	6	Int. - MBF	1
Sawlogs								
Ash	$185	$185	$185	$250	-	4	Int. - MBF	1
Black Walnut	$500	$185	$415	$385	$415	9	Int. - MBF	4
Hard Maple	$185	$100	$160	$165	-	5	Int. - MBF	2
Hickory	$185	$100	$165	$180	-	9	Int. - MBF	2
Mixed Hardwoods	$120	$70	$110	$80	$110	88	Int. - MBF	4
Oak (mixed species)	$165	$85	$140	$135	$135	969	Int. - MBF	7
Post Oak	$185	$185	$185	-	-	5	Int. - MBF	1
Red oak (group)	$375	$75	$160	$235	$200	615	Int. - MBF	7
Sycamore	$100	$70	$95	$120	$75	41	Int. - MBF	3
White oak (group)	$335	$125	$210	$265	$140	602	Int. - MBF	7
Yellow Poplar	$210	$210	$210	$200	-	18	Int. - MBF	1

This region is much the same story as presented for the other areas of the state. Stumpage prices appear to be generally lower for most species by $5-$20/MBF. The exceptions are walnut and yellow poplar, a species not appearing often in this report. Since there is only one sale report for Yellow poplar timber, any assessment of the real market condition would be unwarranted. However, walnut stumpage prices appear to be slightly better, on average, than last quarter and about the same as one year ago.

White oak export markets, normally a major portion of international exports from this region, appear to have been slightly lower than past years. Only one stumpage report of white oak veneer was received, so no general assessment of that market condition can be made. There is no reason to panic however; this region produces some of the highest quality white oak in the state with well developed markets known for paying good prices for standing timber. If you have timber to sell in the near future, keep you eye on stumpage prices beginning in late Fall.

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Foresters reported stumpage prices resulting from 53 timber sales containing 8 million board feet located throughout the state.

Editor’s Note

Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester or your Consulting Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (573) 751-4115, will be happy to provide you with the name and address of the Resource Forester or MDC Regional Office nearest to you. You can locate a Consulting Forester by visiting the Mo. Consulting Forester's Association web site at: *www.missouriforesters.com*

Tree Scale Conversion Factors

Sawlogs - Veneer Logs	Int'l = Doyle x 1.2
Pulpwood Pine	5,200 lbs/cord
Hardwood (hard)	5,600 lbs/cord
Hardwood (soft)	4,200 lbs/cord

Timber Products Output Survey Completed

The Timber Products Output Survey (TPO) for calendar year 2003 was recently completed by contractors for the Forestry Division, Mo. Dept. of Conservation. This is a survey of all primary wood processing plants in the state for the purpose of determining harvest levels by species and county of origin for a specific year. The survey has been conducted at three year intervals since 1987. Data collected is forwarded to the North Central Forest Research Station in St. Paul, MN for compilation, analysis, and preparation of published reports. Results of the 2003 survey will likely be available in late 2005.

However, since the survey includes a visit to every mill, updated contact information is utilized by Forestry Division to publish a new edition of the **Directory of Primary Wood Processors**. A 2004 Directory has been compiled and will be going to printer soon. Watch for an announcement of its availability near the end of summer.

Parting Thoughts

This is a column I have been reluctant to write because it will be my last as editor of *Mo. Timber Price Trends*. Tom Treiman of the MDC staff will be taking over those duties beginning with the next edition at the end of the third quarter of 2004. Tom has been involved in the compilation process for all the timber price data received for the past several years. He is, in fact, the person who developed the software routines that compute and print out the reports you see each quarter. He has also been the person who trouble shoots any problems encountered. Thus, the transition to the new editor should be transparent to readers.

My involvement with standing timber prices began in the late 1960's when as an MDC Farm Forester I reported results of local timber sales to L.E. McCormick, University of Missouri Extension Forester. Jack Slusher continued collecting timber price information when he succeeded Mac, however with cooperation from sawmills throughout the state, the report contained data for delivered log prices rather than stumpage prices. UMC Extension transferred the report to Forestry Division in late 1990. Following the transfer, both stumpage prices and delivered log prices were reported quarterly in much the same format as exists today. Brian Clark was the first editor of the "modern version" of TPT from 1991 until 1994. Since 1994 the report has continued to be published and distributed quarterly by the Department of Conservation and I have enjoyed serving as its editor during that time. It now reports standing timber stumpage prices exclusively and is distributed both in printed form and electronically to a diverse and growing subscriber list.

Mo. Timber Price Trends has made significant progress in acquainting Missouri forest landowners with an accurate value picture of their standing timber. It is human nature to take better care of things that are deemed valuable and there is little doubt that more landowners consider their timber a valuable asset today because of information published in this price report. Historically, it is the source of *documentable* information that is used regularly for the benefit of both public and private timber owners as well as the timber industry. In fact, the historical value of TPT may be its most important, but least appreciated, function.

I will miss the interaction with the many field foresters who contribute reports each quarter. I owe these folks a big "Thank You" for their efforts. Without those reports there would be no *Timber Price Trends*. I will also miss the occasional note, phone call, or e-mail from readers seeking additional information or commenting on something I've written in this column. Feedback is important, even when it's not complimentary! Lucky for me, most have been positive. All have served as a reminder that there is always another perspective on any issue.

I hope some of the perspectives I've offered up over the past ten years have been a positive influence for both forest stewards and the folks who utilize wood fiber. It is important that you get to know each other and attempt to fulfill your particular role with knowledge of the challenges faced by your "partners" on the other side of the log. Growing trees and manufacturing wood products is a symbiotic relationship…….we depend on each other and both entities must make a living in the process.

Keep growing trees!

Shelby Jones, Editor

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